



## *Department of Justice*

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FOR IMMEDIATE RELEASE  
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**JUSTICE DEPARTMENT CHALLENGES PROPOSED ACQUISITION  
OF NEW FIRST CITY BANK-MIDLAND BY TEXAS COMMERCE BANK-MIDLAND**

WASHINGTON, D.C. -- The Department of Justice announced today it has filed in U.S. District Court in Dallas, Texas, a civil antitrust suit challenging the proposed acquisition of New First City Bank-Midland N.A. by Texas Commerce Bank-Midland N.A. (TCB), a subsidiary of Texas Commerce Bancshares Inc. of Houston, Texas.

At the same time, the Department filed a proposed consent decree that would settle the suit.

New First City-Midland is one of the 20 bridge banks sold by the Federal Deposit Insurance Corporation (FDIC) last month.

In the complaint, the Department alleges that the proposed merger would violate Section 7 of the Clayton Act by substantially lessening competition in business banking services, including business transaction accounts and commercial operating loans to small and medium-size business customers in Midland.

The proposed consent decree provides for TCB to divest the New First City Bank-Midland and all assets and deposits of that bank, except for the trust business and, unless necessary to

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assure the divestiture purchaser is a viable competitor, its indirect consumer loans.

John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, said, "This action reflects the Division's continuing efforts to review mergers in the banking industry and to prevent those mergers that will significantly reduce competition, without interfering with the majority of bank mergers that do not pose competitive risks. We are pleased that the Division was able to work with the FDIC and other bank regulatory agencies to accommodate competitive concerns while permitting the prompt and successful resolution of a failed institution."

TCB, a subsidiary of Chemical Banking Corp., New York City, is the third largest commercial bank in Midland, and operates approximately 110 offices through 16 separate national or state banks in Texas, which among them hold more than \$17 billion in assets and more than \$13 billion in deposits. New First City-Midland is the second largest bank in Midland. Between them, TCB and New First City-Midland hold more than 35 percent of commercial bank deposits in Midland.

The Department advised the Comptroller of the Currency on February 8, 1993, that it concluded that the acquisitions of the New First City bridge banks of Alice, Aransas Pass, Austin, Bryan, Corpus Christi, Dallas, Graham, Houston, Kountze, Lake Jackson, Orange, San Angelo, San Antonio, Sour Lake or Tyler were not

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likely to harm competition substantially.

The Comptroller has not yet acted on TCB's applications to acquire the New First City bridge banks of Beaumont and El Paso, and the Department is continuing to evaluate those proposed transactions, and will take no action unless and until they are approved by the Comptroller.

Public comment on the proposed consent decree is invited within the 60-day period established by statute. The public comment period will commence upon the Department's filing of a competitive impact statement, which will be filed shortly. Interested persons then may provide written comments to Richard L. Rosen, Chief, Communications and Finance Section, Antitrust Division, Department of Justice, Room 8106, 555 4th Street, N.W., Washington, D.C. 20001.

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